



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

CERTAIN SOCIAL EFFECTS OF INDIVIDUALISTIC INDUSTRY

THEODORE H. BOGGS
Dartmouth College

The pronouncement of the Communist Manifesto that "the history of all hitherto existing society is the history of class struggles" is still singularly applicable to conditions of industry. Notwithstanding the many strivings after equity and peace in the relations of labor and capital, it is not at all clear that the reform movement has yet emerged from the stage of experimentation. It may be of advantage, in this connection, to recognize the striking parallel between the social conditions marking the modern industrial situation and those which have developed in England as a result of the great changes effected in agriculture during the past two centuries.

Curiously enough, little if any reference has been made to the analogy between the status of the British yeoman, gradually dispossessed of his landholdings and reduced to the lot of a wage-earner, and that of the modern factory operative who likewise is dependent, as a class, on his wages alone. In England, about 1800, after the system of inclosure had begun to bear fruit, the aristocracy regarded the poor, essentially a rural element, "as a problem of discipline and order, to be passed on to posterity with a vague suggestion of squalor and turbulence."¹ Slightly altered in detail to fit modern conditions, this would serve equally as a characterization of the industrial society of today. Applicable alike to the two periods in question, the words of Carlyle serve as an indictment of the tottering policy of *laissez faire*.² "It is not to die, or even to die of hunger," declared Carlyle, "that makes a man wretched. . . . But it is to live miserable we know not why; to work sore and yet gain nothing; to be heart-worn, weary, yet

¹ Hammond, *The Village Laborer*, p. 331.

² Carlyle, *Past and Present*, p. 203.

isolated, unrelated, girt in with a cold, universal *laissez faire*." The ideal of national greatness is no longer that nation wherein "wealth accumulates and men decay."

Disclaiming any intention of discussing the merits of the system of inclosure as a public policy or as a means to agricultural progress, I shall attempt, for purposes of comparison, briefly to outline the changes that the practice of inclosure caused in the social structure of England; and to point out the process by which, through the vanishing of the old village, rural society gradually assumed its modern character.

Of the various classes who lived in the early English village the cottagers, squatters, and farm servants were more essentially laborers than the freeholders, copy-holders, and tenant farmers. Notwithstanding the general similarity in status and property rights, the best dividing-line between the classes was to be drawn between "those who made their living mainly as farmers, and those who made their living mainly as laborers."¹ The modern connotation of the term laborer, however, must be discarded in this connection inasmuch as the farm servant ever had before him the opportunity of himself becoming in time a farmer—an end which was attained as a general rule. Indeed, to heighten the contrast with present-day conditions one should note the assertion of Dr. Slater that "in the open field village the entirely landless laborer was scarcely to be found."² The most significant social fact about the system was the abundant opportunity it afforded to the humblest and poorest laborer in the village to improve his lot. The normal worker did not depend on his wages alone. His livelihood was drawn from several sources, for he secured his fuel from the waste lands, his cow or pig roamed over the common pasture, and he frequently raised a small crop on a strip in the common fields. His income accordingly consisted in part of wages and in part of produce derived from his landed privileges. Moreover, his earnings were augmented through the labor of his wife and children who found employment in the handicraft industries that flourished in the village.

¹ Hammond, *op. cit.*, p. 30.

² Slater, *The English Peasantry and the Enclosure of Common Fields*, p. 130.

Although the danger of idealizing the societal features of the community thus described is recognized, the testimony of Adam Smith may safely be introduced. Writing during the latter half of the eighteenth century he declared that the large number of yeomen was at once the strength and the distinction of English agriculture.

Even at the time of Adam Smith, however, forces were at work which within a few decades were destined rudely to alter this condition of affairs. Whereas England, at the time of the Whig revolution, was in the main a country of common fields with a relatively independent class of yeomen, by the time of the Reform Bill it had become a country of individualistic agriculture and of large inclosed farms. A corresponding change was apparent in the status of the agricultural laborer. All his auxiliary resources had been taken from him, and he was now a wage-earner and nothing more. Inclosure had robbed him of the strip that he had cultivated, of the animals he had maintained on the village pasture, and of the right he had enjoyed of gathering fuel on the waste and of gleaning in the fields after the harvest. In short, his economic independence had been destroyed.

Under the rule of the oligarchy, in the form of the landed aristocracy, the old village community disappeared. Notwithstanding the fact that many an inclosing landlord thought only of the satisfaction of doubling or trebling his rents, the early agricultural community "was not killed by avarice alone."¹ At any rate, greed, in this case, was heavily veiled in public spirit. Believing themselves to be the pillars of society, the members of the English aristocracy quite logically concluded that the old peasant community was a public incumbrance. This view was given a special impetus by various circumstances. The possibilities of scientific farming, when once appreciated, led to the belief that the wider the area brought into the possession of the enlightened classes the greater would be the public gain. "The idea of having lands in common," it was declared, "is derived from that barbarous state of society, when men were strangers to any higher occupations than those of hunters or shepherds, or had only just tasted the advantages to be reaped

¹ Hammond, *op. cit.*, p. 35.

from the cultivation of the earth.”¹ Bentham thought the practice of inclosure a most reassuring evidence of progress.

Under the influence of such reasoning it is perhaps only natural that in the enthusiasm of newly found knowledge the conclusion should have been reached that the early system was the root cause of the ills of society. It was said to be not only of no economic benefit to the masses but to be positively harmful to their morals on the ground that it bred in them instincts of idleness. In an official report published in 1794 the declaration appears that “the use of common land by laborers operates upon the mind as a sort of independence.” Continuing, it predicts that with the commons inclosed “the laborers will work every day in the year, their children will be put to work early,” and “that subordination of the lower ranks of society which in the present times is so much wanted, would be thereby considerably secured.”²

The extent to which the system of inclosure was practiced may be briefly summarized. The estimate given before the Select Committee on Enclosures in 1844 covered nearly four thousand parliamentary acts by which almost six million acres of “common” land were made private property.³ There were probably also many inclosures, especially in the more distant counties, that did not possess the authority of legislative enactment. The conclusion is reached by A. H. Johnson in *The Disappearance of the Small Landowner* that approximately 20 per cent of the total acreage of England was inclosed during the eighteenth and nineteenth centuries.

Sweeping changes followed in the form and character of the rural society of England. As already mentioned, the agricultural laborer, through the loss of his property rights, was reduced to the status of a wage-earner, pure and simple. Contemporaneous with this societal transformation the industrial revolution, by destroying the old household industries, swept away the earnings of his family. Each of these losses was a serious blow to his economic welfare. As if to accentuate his predicament the old Settlement Laws denied to the laborer the freedom to move about the country in search of better conditions if circumstances became desperate in his home

¹ *Report of the Select Committee on Waste Lands*, 1795, p. 15.

² Quoted in Hammond, *op. cit.*, p. 38.

³ *Ibid.*, p. 42.

community. Whereas the system of inclosures deprived him of a career within his own village, his escape was barred by the Settlement Laws. Theoretically every person had one parish, and one only, in which he or she had a settlement or residence right; and the liberty of the individual was entirely controlled by the parish officers. "There is scarce a poor man in England," Adam Smith wrote, "of forty years of age, I will venture to say, who has not, in some part of his life, felt himself most cruelly oppressed by this ill-contrived law of settlements."¹

The economic basis of his independence having been taken from him, the English laborer was reduced to a pitiable plight.² The wages he received, without land privileges, had a lower purchasing power than the income he had earlier enjoyed when his wages were supplemented by "common" rights. His declining standard of living was not a part, however, of a general decline. The lives of the governing class in England were becoming more spacious and not more meager during this period. Food riots occurred which represented a revolt of the poor against an increasing pressure of want. An accompaniment of the laborer's dire poverty was the entire loss of his old-time sense of ownership. No longer did he feel an interest in the public affairs of the village. For the landless laborer the situation offered little to kindle ambition or awaken a sense of civic responsibility, and his narrowed horizon was now bounded by the ever-present prospect of the workhouse. The seventeenth-century peasant, notwithstanding the crudity of his agricultural processes, and his oftentimes doubtful prosperity, was subject to the stimulus of ambition and self-respect. With his unfortunate successor, however, the springs of self-esteem and ambitious endeavor gradually dried up *pari passu* with the process of impoverishment.

For a sharp contrast to this somber picture we have but to look at the condition of the upper classes during the same period. The aristocracy of England has left brilliant records of its art, political traditions, parliamentary debates, and notable achievements in many other fields of activity. An age which produced Pitt, Burke, and Fox cannot be called an age of mere avarice. Amid the

¹ Smith, *Wealth of Nations*, I, 194.

² Hammond, *op. cit.*, pp. 240, 324.

wretchedness that followed Waterloo and peace, it was a commonplace of statesmen that England was the only happy country in Europe, and that so long as their power and authority were left untouched, her happiness would survive.

Without detracting in the slightest from the record of this class, it would still seem legitimate to question the practice of justifying even by implication, any civilization in which national prestige and an illustrious career for a limited class are secured, if not at the expense of the masses, at least in conjunction with widespread popular poverty.

It is asserted by B. S. Rowntree that at present 70 per cent of the agricultural laborers of England and Wales are paid laborers, having no direct financial interest in the success of the work in which they are engaged. "The fact that in England very few laborers expect to become independent," says Mr. Rowntree, "and that abroad almost all of them expect to do so, is of supreme importance."¹ It is asserted further that, at present, a large proportion of the agricultural laborers are living below the poverty line and "that they could not make ends meet at all if it were not for charitable gifts."² Naturally this is deemed an undesirable and intolerable condition of things.

For the immediate purpose of the present study, perhaps sufficient reference has been made to the societal transformation which followed the changes introduced into the system of English agriculture. Its analogy to the social effects of modern industrial organization may briefly be pointed out.

During the past three-quarters of a century the character and status of the factory workman have undergone a significant change. The typical industrial community in the United States, in 1840, contained a body of laborers who were not unfamiliar with the stirrings of ambition and the hope of eventual economic independence. Their wages were quite frequently supplemented by auxiliary earnings derived from a modest plot of land. Because of such an attachment to the soil they felt a natural interest in civic affairs. The early system, strikingly paternalistic in many of its features, tended to develop a spirit of contentment and a

¹ Rowntree, *How the Laborer Lives*, p. 19.

² Rowntree, *op. cit.*, p. 34.

general morale on the part of the employees which unfortunately disappeared with the development of modern industry.

With the evolution of the modern factory system a distinct and permanent working class has been created. This class, heterogeneous in racial make-up, is now essentially dependent on wages alone. In the main, the industrial worker is no longer a possessor of property, and his loyalty to or pride in his town has disappeared. He is unstable in residence and lacks a sense of civic responsibility. Instead, he forms a discordant element in society, maintaining an impersonal and irresponsible attitude toward even the fundamental affairs of the community's welfare. This change, regrettable as it is, cannot fairly be attributed to the fault of the workman. Rather is he the product of circumstances which too long were permitted to develop without restraint.

The unhappy lot of the English agricultural laborer of 1830 and of the present-day industrial worker sharply raises the question as to what constitutes the proper standard of judgment in appraising the net results of economic development. The two views commonly held may be designated as the capitalistic and the societal. Their divergence is immediately obvious.

The former is based on the individualistic premise that the maximum of efficiency in the industrial unit is the end to be sought; and that the continued evolution of the factory system must be accompanied, as in the past, by certain hardships to the workmen. The necessity for progress and the exigencies of competition are put forth as a justification of the ills which accompany such an evolution. Industrial prosperity and national achievement must be attained even though attended by a species of exploitation of the wage-earners. An alleviation of the ills of the industrial worker would be favored in so far as such improvement could be effected without sacrificing efficiency. The protagonist of the capitalistic view would further urge that the laborer's lot has been steadily improving.

No less insistent, however, on genuine industrial progress, the believer in the societal ideal of advance would reply that the highest public welfare can be attained in the long run only by having due regard for all the legitimate interests involved. It is declared

that in the past the interests of the employer class have received undue consideration, with the result that the bulk of the population has lost its basis of economic independence; and that industrial efficiency would be enhanced rather than diminished by more widely distributing the benefits of progress. The underlying ideal may be termed industrial socialization.

The essentially individualistic spirit of America is largely the product of environment. "The westward march of the pioneer," declares Dr. Weyl, "gave to Americans a psychological twist which was to hinder the development of a socialized democracy."¹ The open continent with its vast resources tended to fasten more strongly upon the people an individualism which acknowledged few obligations. Whereas in the early thirties when De Tocqueville described the United States as "the most democratic country on the face of the earth," the nations of Europe were still in the grasp of absolutism, the tables have since been turned. Today America studies democratic institutions in Europe and Australia.

For an understanding of this relative backwardness, attention should be called to the prevailing attitude of Americans toward the fundamental choice which, early in its career, the United States was called upon to make as between the attainment of the social rights of men, and the material conquest of the continent. That we chose the latter was in large part due, as already suggested, to our unusual conditions of environment. The charge that the industrial leaders of the country have been guilty of personal dishonesty or avarice must be qualified. Rather is the explanation to be found in the mores of the country, in the laws, institutions, and general spirit of the society of which they have formed a part. From the conquest of its richly endowed territory the United States has emerged laden with prosperity and possessed of a strong national consciousness. Such progress, however, has been attended by certain unhappy conditions. Not the least disturbing of these unwelcome accompaniments have been the anarchic character of industry and the city slum. Too apparent to be mistaken are the many evidences of our characteristic policy of exploitation, heedless of the future and lacking in a sense of obligation to the larger interests of

¹ Weyl, *The New Democracy*, p. 36.

society as a whole. The modern conservation propaganda which would call a halt on the mad rush for prosperity has among other aims the protection of the life of the individual and of the society. The highest welfare of society is unattainable so long as a large part, if not the majority, of its members are subject to stultifying conditions of life.

That the ideal basis of industrial society has not been generally attained is obvious when we recall that the factory operatives form, in the main, a floating population, devoid of anchorage in any community and relatively lacking in morale.

Practically every industrial center of today constitutes an indictment against the prevailing system of industry. This is apparent upon an investigation of the dwelling-places of the factory population and after noting that the workmen in a sense are like migratory birds flitting about with few if any belongings and with even less of a sense of social responsibility. It is proposed to call attention to certain well-known symptoms of the disordered industrial situation and to venture suggestions looking toward an improvement in conditions.

An outstanding characteristic of the factory population is its prevailing occupancy of rented houses. Aside from the intolerable living conditions which prevail in the cramped, poorly lighted, and squalid rooms of the typical city tenement, there is a distinct social problem in the very fact that relatively so small a number of the industrial workers own their own homes. It was shown by the national census of 1900 for the city of Lowell, Massachusetts, that 22.9 per cent of the total number of houses were owned by their occupants.¹ Of these owners the large proportion were not of the wage-earning class.² That is, in a city containing in 1900 a population of 94,969, overwhelmingly wage-earning in character, less than 10 per cent of the homes owned by their occupants were owned by the workmen.

For private families classified by tenure of home in the 160 cities of continental United States having 25,000 or more inhabitants, the census returns of 1900 reveal the following average percentage

¹ Abstract of Twelfth Census, 1900, Table 90, p. 135.

² Kenncott, *A Record of a City*, p. 62.

figures. Of the 4,137,279 families resident in the cities under consideration 25.7 per cent owned their homes whereas the remaining 74.3 per cent occupied rented homes.¹ We are reminded, however, that the proportion of rented homes in the southern states is unusually high because of the presence of the negro population. In 1900, for example, among the negro families of the South 21.7 per cent owned their homes and 78.3 per cent occupied rented homes, whereas among the white families of the South the corresponding figures were 52.1 per cent and 47.9 per cent, respectively.² Accordingly, if the negro population of the South be omitted from consideration, the proportion of homes owned among the families in the 160 cities referred to above would be substantially higher than the figure, 25.7 per cent, quoted above. Therefore the percentage of owned homes, 22.9 per cent, in Lowell, Massachusetts, becomes the more significant. During the decade ending in 1910 there was a slight decrease in the percentage of owned homes in Lowell, the proportion revealed in the Thirteenth Census being 22.4 per cent.³

Although urban communities are marked in general by a relatively smaller proportion of owned homes than is the case in rural districts, this characteristic appears in an aggravated form in the more essentially manufacturing cities of the country. Those cities, in 1910, in which owned homes constituted less than one-fifth of the total homes, were:⁴ New York City; the following four cities of Massachusetts, Boston, Fall River, Cambridge, and Holyoke; Newark and Hoboken of New Jersey; McKees Rocks Borough and Braddock Borough of Pennsylvania; Central Falls City of Rhode Island; and Savannah and Augusta, Georgia. In addition to these, Providence and Woonsocket, Rhode Island; Jersey City and Passaic, New Jersey; Lawrence and Chelsea, Massachusetts; and Cohoes, New York revealed a percentage figure only slightly in excess of 20 per cent.

By the Pittsburgh Survey a similar state of affairs was shown to be existent in 1907-8, in the steel-manufacturing city of Home-

¹ Twelfth Census, 1900, Vol. II, pp. clxi, ccv, 606, 702.

² Thirteenth Census, 1910, Vol. I, Table 12, p. 1310. ³ *Ibid.*, Table 12, p. 1313.

⁴ *Ibid.*, Table 13, p. 1313; Table 15, p. 1355.

stead, Pennsylvania. Of the ninety selected families whose budget accounts were investigated, thirty-two represented those of unskilled laborers whose weekly earnings were less than \$12.00, sixteen families were in receipt of \$12.00 to \$14.99; twenty-three were of a more skilled variety, having earnings of \$15.00 to \$19.99, and the remaining nineteen enjoyed an income of \$20.00 or over per week. It was discovered that thirteen of the ninety families owned their homes, while five others were in the process of purchasing on the instalment plan.¹ It was noted further that, whereas none of these eighteen families earned normally less than \$12.00 per week, not all belonged to the highest wage group. In eleven of these households the man earned \$20.00 and over. For the five families in which the principal wage-earner's income was \$12.00 to \$14.99 per week the purchasing of the home entailed severe economy and self-denial.² To guard against the unduly optimistic conclusion that the foregoing would seem to justify, it should be added that of the total number of 6,772 men employed in the Homestead plant in March, 1907, 58.3 per cent were classified as unskilled laborers; and that this group of workmen received an income of \$9.90 to \$11.88 per week.³ Inasmuch as at least one-half of the mill-operatives belonged to the class of unskilled laborers, and since Miss Byington's investigations showed that not one family of an unskilled laborer, among the ninety families under consideration, had even made an appreciable effort to buy a house, the conclusion seems justified that one-half of the married employees were practically debarred by insufficient wages from purchasing a home.

Such is the situation in the larger cities. "And yet the problem of the better housing of the working people exists," declares Dr. Streightoff, "in the small towns and villages just as certainly as in the larger cities."⁴ In the words of a labor inspector of the federal government, "almost every small manufacturing town is in great peril from unnecessary and preventable overcrowding."⁵

Closely related to this phase of the wage-earner's lot is the allied problem incident to his limited ownership of real estate. In view

¹ Byington, *Homestead: Households of a Mill Town*, p. 57.

² *Ibid.*, p. 57.

⁴ Streightoff, *Standard of Living*, p. 76.

³ *Ibid.*, p. 40.

⁵ *Ibid.*, p. 76.

of the relative absence of complete data bearing on this question it is necessary, in estimating the amount of real estate owned by the industrial workers of the country, to pursue the indirect or symptomatic method. By this process conclusions must be drawn from such general indications as may be derived from statistics of wages and of property holdings and from general observation. Dr. Spahr's investigations led him to the conclusion that in the United States in 1890 somewhat less than one-half the families were without property, owning neither house nor land; that seven-eighths of the families held but one-eighth of the national wealth, and that 1 per cent of the families owned more than the other 99.¹ Although nearly one-half of the families in the country in 1895 owned the real estate which they occupied, the proportion of owners was more than twice as great upon the farms, as in the cities, although the average wealth of the urban property-holder is much greater than in the case of the rural inhabitant.² The wide distribution of property which is a distinguishing mark of the United States, as contrasted with England, is, after all, only characteristic of the small towns and farming communities. And needless to say, the great bulk of the factory employees are urban dwellers.

Even assuming a certain divergence between these conclusions and the true state of affairs, it is still incontrovertible probably that in regard to the urban population of the country in general and the factory operatives in particular the ownership of land is lodged in relatively few hands.

The testimony of Robert Hunter in this connection is significant. "Probably no wage-earners in Manhattan own their homes," declared Mr. Hunter in 1904, "and in several other large cities probably 99 per cent of the wage-earners are propertyless."³

Nevertheless the "back-to-the-soil" propaganda if attained universally would undoubtedly spell economic retrogression. In the first place, its application on a universal scale would seem physically impossible, whereas its operation, if possible, would probably involve a sacrifice in efficiency in the economic mechanism. However, the agitation for "four acres and a cow" must be deemed

¹ Spahr, *The Present Distribution of Wealth*, p. 69.

² *Ibid.*, p. 53.

³ Hunter, *Poverty*, p. 42.

wholesome in its effects, notwithstanding the impossibility of its attainment. Through such agitation public attention is focused upon the fundamental problem of more equitably distributing among the several classes of society the fruits of production. Whereas a widespread ownership of real estate by the industrial workers is not an end to be unreservedly approved, it is undoubtedly true, on the other hand, that the ownership of their homes will represent a step forward in industrial evolution.

Concomitant to this problem of the non-ownership of homes is the wholesale crowding together of factory employees into totally inadequate living-quarters. That such congestion is attended with calamitous results, of a moral as well as physical nature, is well known.

Population congestion is a mark of the industrial center, whether small or large. So long ago as 1880 and containing less than 60,000 inhabitants, Lowell faced the slum problem, typified in particular in the district known as "Little Canada." "Its area is less than two acres," declared the State Board of Health report for 1880: "its population, according to the census just taken, is 1,076 souls, who live in twenty-four tenement houses. In addition to this are one unfinished tenement house, five stables, eight carriage and wood-sheds, one base-house, and sixteen privies or slop-hoppers."¹ In his report for 1880 the city physician stated in regard to this locality of the city that "unless special complaint were made, the poor man's landlord continued to use his galvanized iron soil pipe without traps, and allowed his vaults to overflow or leak. . . . Measles, croup, and typhoid fever were not reported to the Board of Health. No houses were placarded, nor was routine disinfection done after contagious diseases." Continuing, he declared that "were it not for the fearful mortality from this locality, our death-rate would be quite satisfactory."²

From the study of conditions in Homestead, the conclusion was drawn that overcrowding decreases with higher wages. The accompanying tables will indicate that among the ninety budget

¹ Kenngott *op. cit.*, p. 70.

² *Ibid.*, p. 71.

families, housing accommodations varied roughly in accordance with the family income.¹

TABLE I

Expenditure Group	Total Number of Families	Water in House	Two or More Persons per Room
Under \$12.00.....	32	12	16
\$12.00 to \$14.99.....	16	5	10
\$15.00 to \$19.99.....	23	14	9
\$20.00 and over.....	19	16	5
Total.....	90	47	40

Statistics concerning the ninety budget families occupying specified number of rooms² are given in Table II.

TABLE II

Expenditure Group	Total Families	One Room	Two Rooms	Three Rooms	Four Rooms	Five Rooms	Six or More Rooms
Under \$12.00.....	32	5	10	3	11	1	2
\$12.00 to \$14.99.....	16	.....	3	4	6	1	2
\$15.00 to \$19.99.....	23	.....	6	7	3	5	2
\$20.00 and over.....	19	.....	2	3	2	4	8
Total.....	90	5	21	17	22	11	14

To the often-repeated declaration that these people would not live differently if they could, these figures do not lend support. Results obtained by the Pittsburgh Survey indicate that whereas rent is the item which generally is cut down first when economy becomes necessary, most families when incomes permit will secure room enough to make possible genuine home life.

The investigations of Dr. Chapin in New York City support the view that the condition prevailing in Homestead is fairly typical of the essentially industrial centers of the country. He discovered that the average number of rooms per family increases regularly with income, as may be noted from Table III, in which the percentage of families having not more than three rooms is given.³

¹ Byington, *op. cit.*, Appendix I, Table 6.

² *Ibid.*, Appendix I, Table 8.

³ Chapin, *Standard of Living among Workingmen's Families in New York City*, p. 77.

From a slightly different angle this problem of overcrowding may also be approached. Figures were compiled in the 1910 census report of the average number of persons per dwelling in cities

TABLE III

INCOME	NUMBER OF FAMILIES SUBJECT TO INVESTIGATION		PERCENTAGE LIVING IN THREE ROOMS	
	Manhattan	Other Boroughs	Manhattan	Other Boroughs
\$600.00 to \$799.00.....	115	36	71	31
\$800.00 to \$899.00.....	58	15	48	27
\$900.00 to \$1,099.00.....	70	24	39	17

having 25,000 inhabitants or more. The ten cities showing the highest average number of occupants per dwelling were:¹

	Persons		Persons
Hoboken, New Jersey.....	15.9	New York City.....	15.6
Holyoke, Massachusetts.....	11.9	Fall River, Massachusetts.....	10.9
Passaic, New Jersey.....	10.7	Yonkers, New York.....	10.2
Worcester, Massachusetts.....	9.7	Jersey City, New Jersey.....	9.6
Waterbury, Connecticut.....	9.5	West Hoboken, New Jersey....	9.5

Closely following these were New Britain, Connecticut; Boston, Massachusetts; Chelsea, Massachusetts; Newark, New Jersey; and Bayonne, New Jersey. It would seem, therefore, that overcrowding is most pronounced in the more essentially manufacturing centers.

Even in the city of Lawrence, Massachusetts, in which the average number of persons per dwelling in 1910 was 8.2,² practically all the textile-mill employees live in wooden tenement houses. The most usual types of these are either three- or four-story buildings and, in the more thickly settled portions of the city, tenements occupy both the front and rear of the lots. During 1911 only 11 of the 135 permits issued for dwellings provided for the erection of one-family cottages, and during the five years from 1907 to 1911 only slightly more than one dwelling-permit out of seven provided for the building of one-family houses.³

¹ Abstract, Thirteenth Census, 1910, pp. 261, 262.

² *Ibid.*, 1910, p. 262.

³ Senate Doc. No. 870, 62d Cong., 2d sess., pp. 23, 24.

In the indictment against overcrowding, the first count is physiological. Among the results of overcrowding, as revealed in the investigations of the British Royal Commission of 1884 on the Housing of the Working Classes, were high death-rates, scrofula and congenital weaknesses, encouragement of infectious diseases, and reduced physical stamina.¹ An investigation in Berlin, Germany, in 1885, disclosed the fact that the death-rate for families living in one room was 163.5 per thousand, while families occupying two rooms sustained a death-rate of only 22.5 per thousand. The three-room dwellers escaped with the low rate of 7.5, and the well-to-do people, having four rooms or more at their disposal, suffered by death only at the rate of 5.4 per thousand.² "The case against crowding in houses on sanitary grounds," declares Dr. Streightoff, "is fully established."³

But, as commonly acknowledged, there are other counts. Both morally and psychologically the results of overcrowding are unhappy. Life in a crowded district, with its general accompaniment of wretchedness, checks the growth of individuality and strength of character, as pointed out by Professor Ross;⁴ it increases the tendency of men to frequent saloons.⁵ Habits of negligence are engendered and the moral sense is dulled in the life of the crowded tenement. In the words of Mr. Gould, in the eighth special report of the Commissioner of Labor, "there need be no caviling as to the relative merits of the block dwellings and small individual homes. No matter how excellent the accommodation, no matter what precautions are taken to secure self-containment and isolation, home in a tenement building can never be what it is where a single roof covers a single family."⁶

That the propertylessness of the wage-earner has also unfortunate political results is probably an accepted fact. The absence of any real interest in the town in which he resides, aside from his interest in the source of his wages, renders the factory operative

¹ *Report of Royal Commission on the Housing of the Working Classes*, I, 13, 14.

² Riis, *Charities and Commons*, XVIII, 77.

⁴ Ross, *Social Psychology*, p. 88.

³ Streightoff, *Standard of Living*, p. 82.

⁵ Streightoff, *op. cit.*, p. 82.

⁶ Special Report of the Commissioner of Labor, p. 176.

relatively an easier prey for the ward politician. The sense of civic loyalty and political responsibility is lacking.

The prime requisite to a general acquisition of property by the industrial wage-earners is an adequate income. When their wage scales are considered the wonder is that any homes at all are owned by any but the most skilled. The average wage, for example, actually received by the 21,922 textile-mill employees in Lawrence, Massachusetts, during a week late in 1911, in which the mills were running full time, was \$8.76. Practically one-third (33.2 per cent) of the total number received less than \$7.00 during the week. Only 17.5 per cent of the working force received \$12.00 and over during the week.¹ Data gathered by the 1907 Immigration Commission concerning 26,116 adult male industrial workers employed in thirty-eight of the leading branches of mining and manufacturing showed average annual earnings of \$475.00. The investigations of the United States Bureau of Labor in 1901 of the budget accounts of 25,440 families, found in the more essentially manufacturing states, disclosed the fact that the average income of all was \$749.50; while that of *normal* families, comprising a husband at work, a wife, not more than five children (none over fourteen years of age), and no dependents, was \$650.98.² The study was confined to families of wage-earners whose incomes did not exceed \$1,200.00 per year. Of the 25,440 families, 16 per cent had deficits for the year averaging \$65.58, while 33.44 per cent succeeded in just finishing the year without contracting debt. That is, 49 per cent of the families were unable, during a year of prosperity, to save for an emergency.³ For the city of New York, as the investigations of Dr. Chapin showed, "an income under \$800 is not enough to permit the maintenance of a normal standard."⁴ To state that the existing régime, under which the average industrial worker cannot save, is intolerable is but to voice a truism.

A hopeful note is struck by Professor Hollander in his assertion that "the consensus of present-day opinion among political econo-

¹ "Report on Lawrence Strike," Sen. Doc. No. 870, 62d Cong., 2d sess., p. 19.

² *Eighteenth Annual Report of the Commissioner of Labor*, p. 17.

³ *Ibid.*, pp. 69 ff.

⁴ Chapin, *Standard of Living among Workingmen's Families in New York City*, p. 245.

mists that poverty is not a necessary consequence of the wage system is unaffected by the striking lack of agreement as to the principle determining the rate of industrial remuneration."¹ Admitting the failure of economic science to provide practical standards of reference for wage determination, Mr. Hollander points to the fact that it is "the misdirections, not the normal working, of twentieth-century industrialism which leave large elements of the community in receipt of incomes less than enough to maintain, in the long run, decent, self-supporting existence for themselves, and those necessarily dependent on them."² There is nothing inherent in competitive industry whereby the national dividend, from our economic organization, must needs be so apportioned as to give rise to widespread poverty. We are reminded of Sir Henry Maine's aphorism that social necessities are always more or less in advance of law, and that the greater or less happiness of a people depends upon the promptitude with which the gulf between them is narrowed. This being so and recalling that "the principles of *laissez faire*, having been read into the Constitution, can be read out again,"³ it is possible to view the fundamental issue more reassuringly.

The socialization of industry must involve a viewing of industry from the standpoint of society and not solely from that of the present beneficiaries. It would seek to extend the advantages of leisure from one class to all classes without sacrificing industrial efficiency. Progress has already been achieved. "Altruism has widened its scope," says Professor Taussig, "and wretchedness that was accepted as a matter of course a few centuries ago is now not to be endured."⁴

Included in the program of economic betterment is the great body of modern industrial legislation pertaining to factory conditions, length of working-day, the minimum wage, state insurance against industrial accident, sickness, and old age. In varying degree in different countries the state is imposing conditions of

¹ Hollander, *The Abolition of Poverty*, p. 49.

² *Ibid.*, p. 49.

³ Holcomb, "The Legal Minimum Wage in the United States," *American Economic Review*, March, 1912, p. 29.

⁴ Taussig, *Principles of Economics*, II, 290.

employment expressly designed to benefit the workers. And as a first important step in the campaign against unemployment, Professor Hollander urges the establishment of public employment bureaus or labor exchanges to serve to bring the two parties to the contract into direct contact.¹ This would tend to remove, declares Mr. Wilson, the secretary of labor, in his 1914 Annual Report, "what is perhaps the most potent cause of labor disputes—involuntary unemployment."

To supplement the foregoing progressive measures a modified form of the protective policy may advantageously be adopted. Although there is lacking in the traditional policy of protection any compulsion on the manufacturer to share with his employees the fruits of protection, the tariff nevertheless can be made to pass over a share of its benefits to the wage-earners. A feasible method is presented in the short-lived tariff enactment of 1906 in the Commonwealth of Australia. The underlying purpose of this policy, aptly called the "New Protection," was summarized in a memorandum accompanying the cabinet bill. "The 'Old' protection contented itself with making good wages possible," it was declared. "The 'New' protection seeks to make them actual. . . . Having put the manufacturer in a position to pay good wages, it goes on to assure the public that he does pay them. . . . Excise duties will be imposed on certain classes of goods, which enjoy the benefit of sufficient protection, and an exemption from the duties so imposed will then be made in favor of those in the manufacture of which fair and reasonable wages are paid."² In brief, this policy, reversing that of the United States, treats the protection of industries as only incidental to the primary object of wage protection.

By the Customs and Tariff act of 1906 the duty on agricultural implements was raised, and as a safeguard to the consumer the maximum prices of the more important protected articles were fixed. While the Customs act was designed to protect the manufacturers and the consumer, the Excise Tariff act, supplementary to the former measure, was intended to achieve the same end in

¹ Hollander, *op. cit.*, p. 88.

² Quoted by Victor S. Clark in *Journal of Political Economy*, XIX, 486.

behalf of the employees.¹ The excise or internal revenue tax was imposed on the home production of the classes of farm machinery subject to tariff protection. The element of protection therefore was substantially offset by the excise tax when the latter was in operation. It was provided, however, that by establishing "fair and reasonable" conditions of employment manufacturers might be exempt from payment of the excise tax. To determine what producers were eligible for such exemption, an Excise Tariff Court was formed equipped with adequate powers to investigate wages and other conditions of work prevailing in any factory or industry.

This principle, incorporated into the Commonwealth legislation in 1906, was expected by the Labor party to be widely extended. It was urged that an internal revenue tax be imposed on all goods manufactured in Australia which enjoyed tariff protection, such tax to be half as large as the customs duty imposed on imported goods of the same class. The exemption feature also was to be extended.²

However, in June, 1908, the High Court of the Commonwealth declared that, in passing an act regulating wages by means of excise duties, the federal parliament exceeded its constitutional powers, and that, in effect, it was taking from the constituent states their right to regulate labor conditions within their own borders.³ Notwithstanding the Australian decision, it is held by Professor Commons that the fundamental principle involved has been "sustained by the Supreme Court of the United States as being not in contravention of the Constitution" and that a permanent tariff commission would be the only additional machinery required in this country to inaugurate the change.⁴ And this difficulty has recently been removed through the creation of the new Trade Commission. "This commission," declared President Wilson in his Indianapolis speech on January 8, 1915, 'is authorized and empowered to in-

¹ *Report to Secretary of State on the Wages Boards and Industrial Conciliation and Arbitration Act of Australia and New Zealand* (Cd. 4167), p. 120.

² Clark, "Australian Tariff," *Quarterly Journal of Economics*, XXII, 589.

³ *Report to Secretary of State on the Wages Boards and Industrial Conciliation and Arbitration Acts of Australia and New Zealand* (Cd. 4167), p. 216.

⁴ Commons, *Labor and Administration*, p. 357.

quire into and report to Congress not only upon all the conditions of trade in this country, but upon the conditions of trade, the cost of manufacture, the cost of transportation in foreign countries as well as in the United States. . . . It has the full powers which will guide Congress in the scientific treatment of questions of international trade."

Inasmuch as Congress "is supreme in its action" in the field of customs and internal revenue taxation, it may select the industries and articles to be taxed, it may determine the rate of import duty, and it may impose internal revenue taxes for regulation as well as revenue. That such control over taxing power is already exercised one will recognize if he but call to mind the prohibitive tax of 10 per cent on state bank notes which was coupled with the National Bank act. The adoption by the United States of the essential principles and machinery of the "New Protection" would therefore involve certain technical changes in the drafting of the law. Although requiring administrative machinery and scientific investigation, the plan would not call for any innovation on the principles of legislation. It would rest of necessity on the basis of the comparative costs of production in this country and abroad. Although there is, of course, no single cost of production of any article for a given country, there is nevertheless a tolerably definite difference in the money costs of a given specified article between two different countries. "So far as the difficulty of determining cost of production is concerned," declared Professor H. C. Emery in 1912, "I venture to say that, after our experience in trying to arrive at accurate conclusions in this regard, the present Tariff Board is not only aware of every difficulty which has been suggested by the critics of this idea, but could easily enumerate many other difficulties which have not been suggested. I am convinced, however, that it is possible, in the case of most staple articles of manufacture, to determine the *ratio* of the costs between two different countries with sufficient accuracy for practical legislation."¹

From the experience of the past it may be inferred that the people of the United States will willingly support a tariff high

¹ Emery, "Economic Investigation as a Basis for Tariff Legislation," *American Economic Review*, Supplement, March, 1912.

enough to protect American labor, but they are desirous of seeing the tariff actually passed along to the wage-earner. A permanent commission should inquire whether wages and hours prevailing in this country are actually reasonable and adequate to the realization of a reasonable American standard of life. Despite the great difficulties, it could be determined, at least approximately, what such reasonable conditions should be. On the basis of such an investigation the customs and excise rates should be equitably adjusted. The excise tax should be sufficiently high to make exemption from the same appear highly desirable to the manufacturer, and the latter should possess the initiative in bringing to the notice of the commission conditions prevailing in his industry or plant. If the commission finds thereupon that a given manufacturer is granting to his employees these reasonable conditions a certificate to the effect would exempt the producer from the payment of the internal revenue tax. This policy, by judiciously adjusting the balance between the manufacturer's own self-interest and his workmens' best interests, makes it practically a certainty that with the "New Protection" the laborer would be guaranteed a real and appreciable share of the fruits of protection. Then no longer would the wage-earner, so long said to be "the chief beneficiary of our tariff system," be merely an alleged recipient of tariff benefits. A long step would have been taken toward a genuine socialization of industry. Although the constitutionality of such a plan would be, of course, a matter of personal opinion until the courts had passed upon the question, it appears to others in addition to Professor Commons, to whose opinion reference has been made above, to be quite in agreement with past judicial decisions.

Evidence is not lacking to indicate that with the growing realization of societal responsibility, the state, in its regulation of wages, must eventually exercise a greater control than heretofore in the distribution of the net product of industry. As the state consciously seeks more and more in the future to accomplish what in the past has been left to the unconscious operation of economic forces many of the existent industrial ills must disappear.